



ARIZONA DEPARTMENT OF ADMINISTRATION
Enterprise Procurement Services

CONTRACT ADMINISTRATION
"DESIGNATED CONTRACT OFFICER'S REPRESENTATIVE" ("COR")
ROLES AND RESPONSIBILITIES
Policy and Procedure #13

For

State Governmental Units

I. Introduction:

Contract administration encompasses all relationships between the State and the contractor (“parties”) from the time the contract is awarded until performance in the form of delivery or work is completed, final payment made and disputes resolved. The purpose of contract administration is to ensure that the State obtains the required performance from the contractor, on time, at the correct quality level in accordance with the contract requirements and the contractor receives proper compensation. Effective contract administration ensures that both parties fulfill their contract obligations.

Contract administration requires that both parties clearly understand the contract, cooperate and act in good faith and maintain mutual confidence and respect. The specific nature, extent and effort required to administer the contract depends on the requirements, complexity, value and importance of the contract. Simple contracts for delivery of off-the-shelf products may require minimal administration. Complex systems contracts may require full-time monitoring and administration. The level of effort and roles and responsibilities in administering each contract should be clearly understood by all parties before performance begins.

Contract administration is a team activity, involving the contractor, Contract Officer and Contract Officer’s Representative (“COR”). The purpose of this policy is to define the roles and responsibilities of the COR.

II. Definitions:

- 1 CPO: Chief Procurement Officer.
- 2 Contract Administration: All relationships between the State and the contractor that arise during contract performance. Contract Administration encompasses all interactions between the State and the contractor from the time a contract is awarded until all products or services have been delivered or completed, acceptance and payments have been made and any disputes have been resolved.

- 3 Contract Changes: Any modification to the contract authorized in writing by the Contract Officer. Changes may be initiated by the contractor or COR in the form of a written request to the Contract Officer. Contract changes shall only be made by the Contract Officer and shall be in the form of a written contract amendment or change order.
- 4 Contract Officer: An individual duly authorized by a CPO to enter into and administer contracts within the limits of their authority (a.k.a. Procurement Officer).
- 5 Contract Officer's Representative ("COR"): Formally designated personnel within an agency, office or division (program or business unit) responsible for performing daily contract administration duties, such as monitoring and oversight of contractor performance or as delegated by the Contract Officer.
- 6 Customer Agency: The State Governmental Unit or Units, divisions or individual offices of the State Governmental Unit that requires the materials or services specified in the contract.

III. Assignment of COR:

When required, the Customer Agency shall recommend the COR based on the requirements of the contract, level of effort required to administer the contract and the experience of the assigned COR. The Contract Officer shall appoint the COR by written delegation.

- 1 For complex contracts that require a high level of administration, the Contract Officer may issue a delegation of authority to the COR to administer the contract. Delegations shall be in writing and shall identify the contract, Customer Agency, COR, terms or duties being delegated. (Attachment No. 1 sample COR delegation letter; Attachment No. 2 sample breakdown of Contract Administration Roles and Responsibilities).
- 2 A contract administration team may be designated for contracts involving multiple Customer Agencies with one team member being designated as the COR.

- 3 The COR may sub-delegate certain tasks to other individuals, including receiving and accepting deliverables, reviewing and authorization of invoices for payment and the conducting of periodic progress meetings. The COR shall notify the Contract Officer of any sub-delegated tasks.

IV. COR Roles and Responsibilities:

- 4 The designated COR shall:

- 4.1 Fully understand the contract, inclusive of specifications or scopes of work, contract terms and conditions, pricing, performance requirements, ordering, delivery and payment methods.
- 4.2 Oversee or have direct involvement in the review of purchase requisitions and purchase orders for compliance to the contract.
- 4.3 Monitor contractor performance to contract requirements. When determining compliance to contract requirements, decide only questions of fact with regard to quality and acceptability of provided services or materials delivered.
- 4.4 Advise the contractor of any non-compliance issues and promptly report each incident to the Contract Officer.
- 4.5 Promptly submit any proposed contract changes initiated by the contractor to the Contract Officer in writing with recommendations.
- 4.6 Promptly submit any proposed contract changes initiated by the COR or Customer Agency to the Contract Officer in writing.
- 4.7 Promptly accept or reject provided services or materials, notifying the Contract Officer of all rejections.

4.8 Oversee or have direct involvement in the review of contractor invoices for compliance to the contract. Promptly notify the contractor of inaccuracies and request correction and re-submission before approval and processing of payment.

4.9 Perform delegated duties with impartiality, fairness, independence, openness, integrity and professionalism.

5 The designated COR shall NOT:

5.1 Enter into supplemental agreements for services or materials not clearly defined in the contract, issue changes, or suspensions.

5.2 Interpret the contract to add or delete requirements that are not specifically identified and priced in the contract;

5.3 Modify any terms of the contract;

5.4 Terminate the contract or issue demand for assurances; or

5.5 Commit the State in any matter, except as authorized herein.

V. Resources:

The designated COR shall utilize all available resources required to perform their contract administration duties, such as:

- 1 Accessing or obtaining copies of all assigned contracts (inclusive of any and all changes and amendments issued by the Contract Officer).
- 2 Attending contract "Post Award" meetings and periodic performance review meetings with the contractor(s);

- 3 Scheduling progress meetings with the assigned Contract Officer to review contract requirements; or
- 4 Attending purchasing related training classes available through the EPS Training Unit. Information and schedules available at www.azeps.az.gov.

John O. Adler, CPO


State Procurement Administrator

December 14, 2005

Agency Letterhead

(Attachment No. 1 sample Delegation Letter).

(Date)

(Person)

(Title)

(Agency, Office or Division)

(Address)

(Zip Code)

Re: Delegation of Contract Officer's Representative

Dear (person):

You are hereby designated as the Contract Officer's Representative ("COR") under contract (number) and (title). As the COR you will deal with the contractor(s) to insure compliance with the contract terms and provisions. In order to fulfill your authorities, duties and responsibilities under this assignment, you shall:

- 1 Become thoroughly familiar with the contract;
- 2 Oversee or have direct involvement in the review of purchase requisitions and purchase orders for compliance to the contract;
- 3 Monitor contractor performance against contract requirements. When determining compliance with the contract requirements, decide only questions of fact, with regard to quality and acceptability of provided service or materials delivered;
- 4 Advise the contractor of any non-compliance issues and promptly report each incident to the Contract Officer;
- 5 Promptly report any proposed changes initiated by the contractor to the Contract Officer with recommendations (if applicable);
- 6 Promptly accept or reject provided service or materials delivered, notifying the Contract Officers of rejections;

- 7 Oversee or have direct involvement in the review of contractor invoices for compliance to the contract. Promptly notify the contractor of inaccuracies and request correction and re-submission before approval and processing of payment;
- 8 Perform these duties with impartiality, fairness, independence, openness, integrity and professionalism.

You shall not be authorized to take any of the following actions:

- 1 Enter into supplemental agreements for services or materials not clearly defined in the contract, issue changes or suspension of service instructions;
- 2 Modify any terms of the contract;
- 3 Terminate the contract or issue demand for assurances; or
- 4 Commit the State in any matter, except as authorized herein.

It shall be your responsibility to keep the Contract Officer fully informed of any sub-delegation of contract administration duties, contractor's performance issues, and to request contract interpretations through the Contracting Officer, when required.

Copies of all written correspondence, trip reports (if taken) and meetings in reference to delegated contract administration duties shall be made available to the Contract Officer upon request.

Attachment No. 2

CONTRACT ADMINISTRATION: ROLES & RESPONSIBILITIES

SITUATION	ACTION	RESPONSIBILITY
Contract Management and Administration Activities		
<i>A program needs a service or commodity.</i>	Contract Formation Contract is formed through competition or direct negotiation.	Contract Officer
<i>Someone needs to notify the contractor to begin work under the contract.</i>	Notice to Proceed The notice to proceed may be issued in the form of a <i>purchase order</i> , delivery or task order or letter.	Contract Officer Representative (COR)
<i>The contractor, the program, and procurement all need to have the same understanding of the requirements and responsibilities related to the contract.</i>	Kick-off Meeting The purpose of the kick-off meeting is to introduce key employees, define reporting and documentation requirements, discuss contract issues, establish roles and responsibilities, and problem resolution.	Contract Officer
<i>The intent of some clause or requirement in the contract is ambiguous or being viewed differently by the contractor from the COR.</i>	Contract Interpretations The COR is responsible for knowing and understanding the contract. However, any matters that require interpretation of ambiguities shall be interpreted by the contract officer. The contract officer is responsible for consultation with the Attorney General.	Contract Officer
<i>The contractor requests a price adjustment. The program desires to add or delete deliverables or standards under the contract.</i>	Contract Modification Any change to the contract is material. Some proposed changes may be improper. Only the	Contract Officer

SITUATION	ACTION	RESPONSIBILITY
	contract officer may change the contract. Some changes require approval from the State Procurement Administrator.	
<i>The contractor is failing to perform to perform to the satisfaction of the COR.</i>	Corrective Action The COR shall file a vendor performance report form detailing the failure of the contractor. The contract officer shall investigate the matter and determine the course of action, which could include: issuing a letter of assurance, devising a corrective plan or other remedy allowed or provided for under the contract.	Contract Officer
<i>The contract has issued an invoice in compliance with the contract.</i> <ul style="list-style-type: none"> • Progress Payments • Final Payments 	Pay the Contractor The COR will review and approve the invoice for payment so long as the pricing is in accordance with the contract and the contractor has completed all deliverables due for the payment.	COR
<i>The compliance and effectiveness of the contract must be assessed.</i>	Contract Monitoring A review of the timeliness, completeness and quality of deliverable is conducted.	COR
<i>A disagreement erupts between the contractor and the program over an issue with the contract.</i>	Disputes	COR Refers dispute to contract officer
<i>A firm issues an invoice or demand for payment for the delivery of services or commodities not specifically included under a state contract.</i>	Claim	Contract Officer May require approval of State Procurement Administrator.
<i>The contractor fails to comply with the contract.</i>	Filing of a Vendor Performance Report (formerly Vendor Deficiency Report)	COR Timely Notifies Contract Officer

SITUATION	ACTION	RESPONSIBILITY
<i>The funding entity or agency desires to assess the contract for effectiveness or efficiency.</i>	Program Evaluation The program develops a process to determine the effect the contract has had on clients, the State etc. A separate contract is sometimes awarded to assess efficiency or effectiveness of contract outcomes.	COR
<i>Contract performance is completed</i>	Closeout Written correspondence as to contractor performance of the overall contract. Refer to contract close-out provision.	COR
<i>Contractor requests change of subcontractor or key personnel</i>	Contract Modification	Contract Officer Unless Delegated
<i>Program requests replacement of Key Personnel</i>	Written Directive	Contract Officer
<i>Contractor indicates it may not be able to complete contract performance</i>	Letter of Assurance Contract default or anticipated default	COR Notifies the Contract Officer
<i>Contractor fails to perform according to the contract</i>	Contract Default The contract officer may terminate contract for default and initiate remedies	Contract Officer
<i>Contract performance is no longer required or funding is removed or exhausted before contract is complete.</i>	Termination for Convenience	Contract Officer